

HEARING AND APPROVAL OF 2017
AMENDMENT TO THE
CONSOLIDATED MUSCATINE URBAN
RENEWAL AREA

421464-51

Muscatine, Iowa

February 9, 2017

The City Council of the City of Muscatine, Iowa, met on February 9, 2017, at 7:00 o'clock, p.m., at the City Hall Council Chambers, in the City for the purpose of conducting a public hearing on a proposed urban renewal plan amendment. The Mayor presided and the roll being called the following members of the Council were present and absent:

Present: _____

Absent: _____ .

The City Council investigated and found that notice of the intention of the Council to conduct a public hearing on the urban renewal plan amendment had been published according to law and as directed by the Council and that this is the time and place at which the Council shall receive oral or written objections from any resident or property owner of the City. All written objections, statements, and evidence heretofore filed were reported to the Council, and all oral objections, statements, and all other exhibits presented were considered.

The following named persons presented oral objections, statements, or evidence as summarized below; filed written objections or statements, copies of which are attached hereto; or presented other exhibits, copies of which are attached hereto:

(Here list all persons presenting written or oral statements or evidence and summarize each presentation.)

There being no further objections, comments, or evidence offered, the Mayor announced the hearing closed.

Council Member _____ moved the adoption of a resolution entitled "Resolution to Approve Urban Renewal Plan Amendment for the Consolidated Muscatine Urban Renewal Area," seconded by Council Member _____. After due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared the resolution duly adopted and signed approval thereto.

RESOLUTION NO. _____

Resolution to Approve Urban Renewal Plan Amendment for the Consolidated Muscatine Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the "Urban Renewal Law"), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of Muscatine, Iowa (the "City"), by prior resolution established the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which would facilitate the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (1) updating the project description for the Iowa Reinvestment District Project, which was previously approved for action by the City Council on November 6, 2014; (2) updating the project description for the Harrison Lofts LLC Low and Moderate Income Housing Development Project, which was previously approved for action by the City Council on October 20, 2016; and (3) providing tax increment financing support to HNI Corporation (the "Company") in connection with the expansion by the Company of existing facilities for use in its office furnishings business operations; and

WHEREAS, notice of a public hearing by the City Council on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on February 9, 2017; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Muscatine County and the Muscatine Community School District; the consultation meeting was held on the ____ day of _____, 2017; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The economic development initiatives and projects proposed under the Amendment are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved February 9, 2017.

Mayor

Attest:

City Clerk

(Attach copy of the urban renewal plan amendment to this resolution.)

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Upon motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned, do hereby certify that I am the duly appointed, qualified and acting City Clerk of the City of Muscatine, and that as such I have in my possession or have access to the complete corporate records of the City and of its officers; and that I have carefully compared the transcript hereto attached with the aforesaid records and that the attached is a true, correct and complete copy of the corporate records relating to the action taken by the City Council preliminary to and in connection with approving the urban renewal plan amendment for the Consolidated Muscatine Urban Renewal Area in the City of Muscatine, Iowa.

WITNESS MY HAND this ____ day of _____, 2017.

City Clerk

CITY OF MUSCATINE, IOWA

URBAN RENEWAL PLAN AMENDMENT
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA

February, 2017

The Urban Renewal Plan (the “Plan”) for the Consolidated Muscatine Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purposes of (i) identifying new urban renewal projects to be undertaken therein; (ii) updating the description of the City’s Harrison Lofts LLC Low and Moderate Income Housing Development Project; and (iii) updating the description of the City’s Iowa Reinvestment District Project.

1) Identification of Project. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project descriptions:

A.

Name of Project: HNI Corporation Development Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area.

Date of Council Approval of Project: February 9, 2017

Description of Project and Project Site: HNI Corporation (the “Company”) has proposed to undertake the construction of expanded facilities (the “HNI Project”) for use in its office furnishings business operations on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Number 0824426007 (the “HNI Property”).

It has been requested that the City provide tax increment financing assistance to the Company in support of the efforts to complete, operate and maintain the HNI Project.

The costs incurred by the City in providing tax increment financing assistance to the Company will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$5,000.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the HNI Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the HNI Project.

Description of Use of TIF for the Project: The City intends to enter into a development agreement (the “Development Agreement”) with the Company with respect

to the HNI Project and to provide economic development payments (the “Payments”) thereunder. The Payments will be funded with the incremental property tax revenues to be derived from the HNI Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the HNI Project will not exceed \$3,811,000, plus the Admin Fees.

2) Update of the Harrison Lofts LLC Low and Moderate Income Housing Development Project. The City approved the Harrison Lofts LLC Low and Moderate Income Housing Development Project in the October, 2016 Amendment to the Plan. It is now necessary to update the description of the Harrison Lofts LLC Low and Moderate Income Housing Development Project. The description of the Harrison Lofts LLC Low and Moderate Income Housing Development Project shall now read as follows:

Name of Project: Harrison Lofts LLC Low and Moderate Income Housing Development Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: October 20, 2016 and amended on February 9, 2017

Description of the Project and Project Site: Harrison Lofts, LLC (the “Harrison Lofts Developer”) has undertaken the development of an apartment complex with approximately fifty-four units (the “LMI Housing Project”) on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Number 0825276036 (the “LMI Housing Property”). It is intended that 25% of the apartment units constructed in connection with the LMI Housing Project will be affordable for families of low and moderate income. The addition of new affordable housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

It has been requested that the City provide tax increment financing assistance to the Harrison Lofts Developer in support of the efforts to complete the LMI Housing Project.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the LMI Housing Project.

Description of Properties to be Acquired in Connection with Project: It is not anticipated that the City will acquire real property in connection with the LMI Housing Project.

Description of Use of TIF for the Project: The City intends to enter into a development agreement (the “Development Agreement”) with the Harrison Lofts Developer with respect to the LMI Housing Project and to provide economic development payments (the “Payments”) thereunder in a principal amount not to exceed \$675,000. The Payments will be funded with the incremental property tax revenues to be derived from the LMI

Housing Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council.

The City further intends to fund an economic development grant (the “Grant”) in the amount of \$10,000 to assist the Harrison Lofts Developer with the costs of the LMI Housing Project. The Grant will be funded through an internal advance (the “Advance”) of City funds on hand. The Advance will be repaid by the City from incremental property tax revenues derived from the LMI Housing Property and/or the Urban Renewal Area.

3) Update of the Iowa Reinvestment District Project. The City approved the Iowa Reinvestment District Project in the November, 2014 Amendment to the Plan. It is now necessary to update the description of the Iowa Reinvestment District Project. The description of the Iowa Reinvestment District Project shall now read as follows:

Name of Project: Iowa Reinvestment District Project (the “Reinvestment District Project”)

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: November 6, 2014 and amended on February 9, 2017

Description of Project and Project Site: Riverview Hotel Development (the “Reinvestment District Developer”) will undertake the development of a hotel, conference center, parking ramp and street level connector from the hotel to 2nd Street on certain property situated in the Iowa Reinvestment District in the Urban Renewal Area (the “Reinvestment District Development Property”) as highlighted on the map attached to the November, 2014 Amendment. It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to improve the Reinvestment District Development Property.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Reinvestment District Project.

Description of Properties to be Acquired in Connection with Project: It is not anticipated that the City will acquire real property in connection with the Reinvestment District Project.

Description of Use of TIF: The City intends to enter into a Development Agreement with the Reinvestment District Developer with respect to the construction and use of the completed Reinvestment District Project and to provide economic development payments (the “Payments”) thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Reinvestment District Development Property. The City may also pay for certain costs of the Reinvestment District through borrowed funds and/or the proceeds of an internal advance of City cash on hand. It is anticipated that the

City's total commitment of incremental property tax revenues with respect to the Reinvestment District Project will not exceed \$6,218,000.

4) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$67,450,183</u>
Outstanding general obligation debt of the City:	<u>\$15,095,000</u>
Proposed debt to be incurred under this February, 2017 Amendment*:	<u>\$ 4,039,000</u>

*Some or all of the debt incurred hereunder may be subject to annual appropriation by the City Council. Further the amount of indebtedness to be incurred hereunder reflects (i) the Payments in the amount of \$3,811,000 for the HNI Project; (ii) the additional Grant to the Harrison Lofts Developer in the amount of \$10,000; and (iii) and the increase in the total commitment of incremental property tax revenues to be provided to the Reinvestment District Developer in the amount of \$218,000.